

Marketing communications plan for Mobilat

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The purpose of this thesis is to find possible media for communicating benefits of Mobilat to young consumers and to analyse consumer behaviour differences between younger and older consumers regarding pain gel usage. The main beneficiary of this thesis is STADA Nordic, which is a part of STADA Arzneimittel, an international pharmaceutical company. STADA Nordic tasked this thesis to find best alternatives for advertising their pain gel product Mobilat to young consumers. According to STADA Nordic most of its customers using Mobilat are older consumers and in order to keep the product profitable, the age variation within this customer base must be diversified.

The knowledge base of this thesis consists of three separate parts: communication theory, communications in marketing and marketing communication planning. Communication theory defines the term communication and explores most significant models in the field. Communication in marketing lists the common media of communication used for marketing purposes and advertising. Marketing communication planning -section details SOSTAC® -process model and other theory related to planning effective communications.

For collecting data two methods are used. Survey is conducted to receive data of consumer behaviour of Finnish consumers' pain medication usage. The sample consists of personnel and students of Laurea University of Applied Sciences. The data is analysed and conclusions of the results of the survey are made. The second method of data collection is studying possible marketing channels and briefly analysing their suitability for STADA's purposes.

This thesis's survey provides information of consumer preference, when self-medicating joint and muscle pains. Analysis of marketing channels provides details such as key demographics of those channels. Both, the results of the survey and the analysis of channels, are brought together and concluded in the last chapter.

Keywords: Marketing, Communication, Pharmaceuticals

Table of Contents

1	Introduction	5
1.1	Background	5
1.2	Objectives	6
1.3	Analysis of the OTC pain gel markets.....	6
1.3.1	Development	6
2	Communication theory	7
2.1	Communication	7
2.2	Communication in marketing	10
2.3	Marketing communication planning.....	12
3	Methods	15
3.1	Information gathering via survey	15
4	Collection and analysis of data	16
4.1	Conducting a survey	16
4.1.1	Sample size	17
4.1.2	Methods of analysis	17
4.1.3	Acquired results	18
4.1.4	Analysis of results	18
4.1.5	Significant findings.....	20
4.2	Analysis of marketing channels	20
4.2.1	Television marketing	20
4.2.2	Digital marketing.....	20
4.2.3	Print press advertising.....	22
4.2.4	Radio advertising	22
5	Conclusions.....	23
	References	24
	Figure list.....	25
	Attachments	26

1 Introduction

1.1 Background

Mobilat is a pain-relieving anti-inflammatory topical medicine, which is used in treating joint and muscle pains, tenosynovitis, joint fluid effusions and osteoarthritis. Stada Pharma's Mobilat's power is based on three different active substances: corticosteroid, mucopolysaccharide polysulphate and salicylic acid, which together relieve pain, decrease swelling and treat inflammation. The product is sold in pharmacies around Finland without a recipe and it comes in gel and cream forms.

Company behind Mobilat, Stada Pharma, is a 120-year-old German pharmaceutical manufacturer (Stada Pharma will be referred from now on as Stada Group and Stada Pharma's branch in Finland will be referred simply as Stada). Stada Group has branched out with its sales offices throughout Europe from Portugal to Russia as well as many Asian countries. Group's sales in 2013 were up to 2 billion euros and net income reached 120 million. In 2013 Stada employed over 9000 people and had launched 724 products altogether. (Stada 2014; Stada 2015)

For the last five years Mobilat hasn't been actively advertised by Stada, but instead it has been allowed to float free without much promotion. Before this Novartis' Voltaren stepped in and took Mobilat's place acquiring greatest share of the market. Mobilat still has 12% (2009) of the market even though it hasn't been actively marketed to consumers. Other players on the market are Pfizer with Felden, Ratiopharm with Piroxin, Sanofi with Orudis and Meda with Eeze Spray Gel.

The problem behind the current situation is that Mobilat is primarily used by elderly consumers and generations born after 1980 aren't even familiar with the product. One of the advantages Mobilat has is that its effect is based on three substances whereas the Voltaren's effect is based on only one. Mobilat could be described as the Advil or Burana of topical pain gels. It is also known by a large portion of the consumers older than 30, but even 20-year-olds often have some grasp on what Mobilat is and what it is used for.

Now Stada has decided to try to increase Mobilat's market share and introduce Mobilat to a younger generation of consumers. Stada doesn't want to use resources to advertise in television so alternative ways of promoting must be used. Stada Pharma is also, as is distinctive for pharmaceutical manufacturers, rather the conservative sort. This means that all social media campaigns and other relatively new forms of communicating with customers must be carefully planned to prevent negative experiences from being shared among customers.

1.2 Objectives

This thesis will create a marketing plan based on research to be conducted during the process and information provided by the host company. The project will include information of the customer behaviour of consumers between the ages of 18-40 regarding topical over the counter pain medicine usage (these gels will be referred from now on as "OTC pain gels") and how to best utilize this information. This thesis will determine which channels of advertising can be used in order to harness the maximum potential of scarce resources available for Mobilat's marketing. Main content of the advertisements will also be discussed.

The main objective of this project is to raise awareness of Mobilat among consumers between the ages of 18-40. This project aims to improve Mobilat's visibility among consumers and introduce younger consumers the benefits of Mobilat compared to Voltaren. For the last five years Mobilat has been a cash cow for Stada as it hasn't been advertised actively, but it still generates some revenue mainly from elderly customers. Currently Stada is looking to acquire market share in OTC pain gel market using only a very limited amount of resources.

In addition to pain relief, Mobilat reduces swelling and treats inflammation, which will be the main message of advertising. Emphasis will be put on the three ingredient formula which affects muscles and joints in three different ways. In order to most efficiently expend scarce resources, advertising of Mobilat must target the desired audience as accurately and effective as possible. In 2005 Mobilat won the Medicine commercial of the year -award granted by Lääketeollisuus ry. Mobilat was awarded on the basis that the advertising was straightforward, distinctive and relatable for customers (Mobilat 2015).

1.3 Analysis of the OTC pain gel markets

1.3.1 Development

OTC pain gel markets have grown for the past four years. Sales of all products in the field has risen 48.75% in the last four years with 3.8 mil. € more moving in the markets. This increase was preceded by a minor decline of 2-3% per year from 2009 to 2011. Mobilat's sales have plummeted during 2009-2014 period 36.5%, but more importantly Mobilat's share of the market has dropped from 29.07% to 12.11%. Voltaren's acquisition of the markets has been destructive for other brands too. Brands Zon (Antula Healthcare) and Ketorin (Orion) have perished completely and Piroxin, Orudis and Eeze Spray Gel have all declined greatly this period. Felden has managed to keep their share of the markets and grow their revenue doing so.

Voltaren has increased their sales 277.80% since 2009 and grown in market share from 39.22% to 76.34% now controlling most of the market. In 2012 Novartis launched its Voltaren Forte brand to be sold side by side with the original Voltaren Emulgel. Voltaren Forte became quite popular as Forte covers 60.44% of the markets whereas the original covers 15.90%. This seems to have been a good action by Novartis although it is unclear if the original Emulgel could have risen to cover three fourths of the market by itself. The reason for Forte's success is also debatable as its success could be due to customers viewing it as a more potent version of the original, more cost-effective version of the original (due to potency) and/or an entirely new formula. (Attachments 1-3)

1.2.2. Current situation

Now the market practically consists of three competitors as the other three are left with less than 3% of the market combined. Novartis' Voltaren has market share of 76.34% making it by far the largest player in the market. Other competitors are Stada's Mobilat with 12.11% followed by Pfizer's Felden with 8.83%.

2 Communication theory

2.1 Communication

The Oxford dictionary defines communication as "The imparting or exchanging of information by speaking, writing, or using some other medium" (Oxford University Press 2015)

BBC's article on the subject of communication published to their webpages' school section determines communication as a process of transmitting information between a sender and a receiver via a medium. This article then states that there exists one-way communication, which doesn't enable the receiver to send any information back to the sender, and two-way communication which does. Two-way communication allows sender to receive information from the receiver such as confirmation that the message has been received or feedback. (BBC 2015)

John Fiske, a professor in the Department of Communication Arts at the University of Wisconsin-Madison, identifies two main schools within the study of communication: practical and semiotic. The practical school of communication, which emerged first, considers communication as a process of transmitting messages and focuses on subjects such as efficiency of communication and accuracy of messages. The semiotic school considers communication as production and exchange of meanings and focuses on study of signs and meanings and how these are affected by culture.

Fiske argues that Mathematical Theory of Communication, by Shannon and Weaver in 1949, is commonly considered as the starting point of communication studies. Shannon and Weaver developed this work during the Second World War while they were studying how to most efficiently utilize communication through telephone and radio. (Fiske 2002, 6)

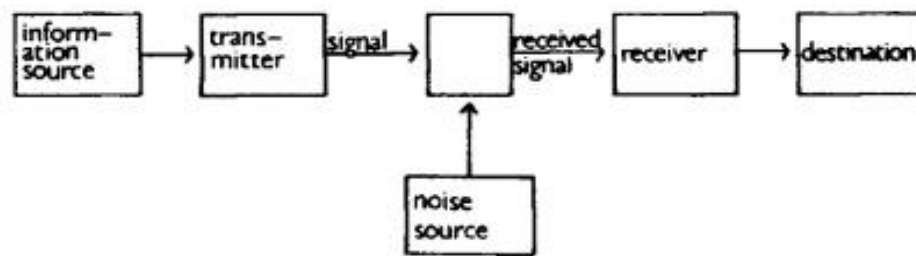


Figure 1: Original communications flowchart

Communication process model they developed is a linear map where information travels from source to destination via transmitter and receiver and is affected by noise during transmitting. In this model the source is viewed as the decision maker who or which makes decisions about sending of the message as well as its content. After the decisions have been made the message is sent through a transmitter to a receiver as a signal. Between transmitting and receiving the signal is affected by noise. The term noise as defined by Shannon and Weaver is used to signify any element added to the channel is not decided by the source. Shannon and Weaver's definition of noise has been extended by others after this to include noise that is not necessarily originating in the channel itself and noise which enters into the process at a point other than between transmitter and receiver. (Fiske 2002, 6-8)

Shannon and Weaver then move to define three levels of problems to study in communication. First level is technical problems as in how well can the message be transmitted. Second is semantic as in how well does the message convey its desired meaning. And the third level is effectiveness problems as in how well does the received message affect destination in the desired way. (Fiske 2002, 7)

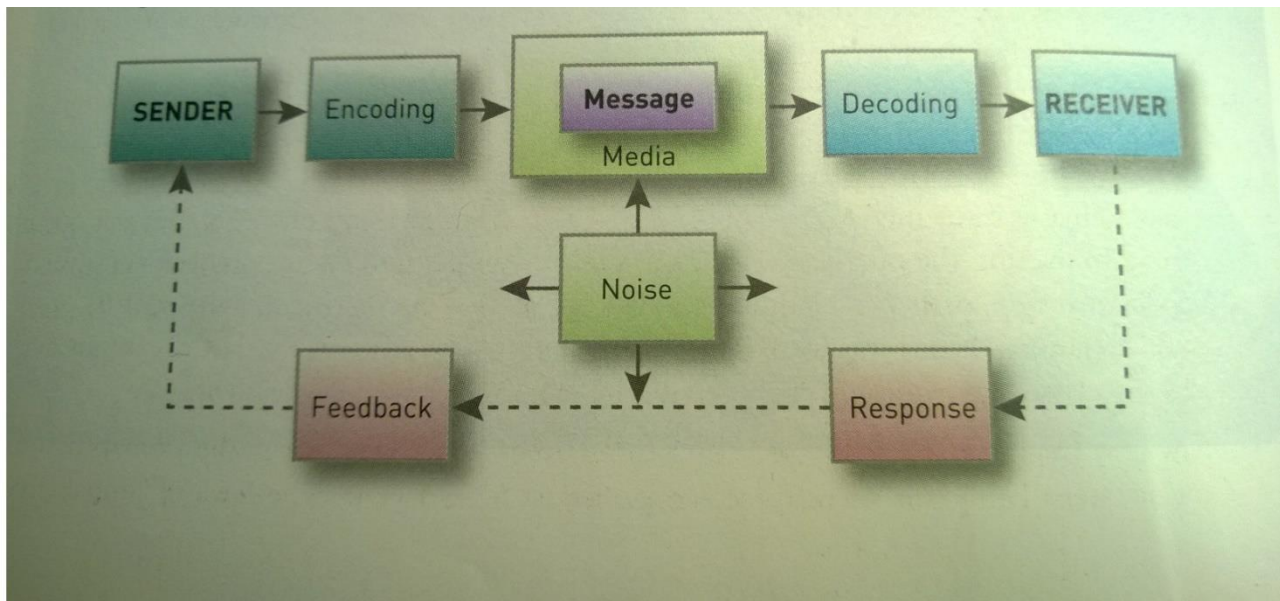


Figure 2: Newer communications flowchart

Macro model of communications process has evolved from Shannon and Weaver's model. There are five changes to the fundamental model of communications presented in the Mathematical Theory of Communication. Information source and destination have been changed to sender and receiver. This is because another flow of information has been added to the model making the receiver also a source of information.

The addition of optional response-feedback flow of information has been done to make this a two-way model. The response-feedback flow allows sender to receive information about the action (e.g. was the communication attempt successful). The factor of noise has also been extended to affect three other points exclusively in the response-feedback flow from receiver to sender.

Transmitter and receiver have been changed to encoding and decoding. This brings semiotic aspect to the practical model as instead of just receiving the message, the receiving entity must decode the message enabling a failure of communication not necessarily due to noise. When the sender wants to send deeper meanings such as emotions in advertising, the desired meaning must be encoded to the message instead of, for example, plainly expressing "now you are sad".

Signal has been changed to message within media. This allows same messages to be sent via different media and multiple messages to be sent via same medium. It also emphasizes the fact that for successful communication the meaning must be encoded to be suitable for the chosen medium. (Kotler 2009, 694)

2.2 Communication in marketing

Organization's attempts to directly or indirectly inform, persuade and remind customers about their brands are considered as marketing communication. Marketing communications include every message which is used to directly or indirectly affect sales and these messages can be sent by any medium of communication. By means of marketing communications, companies can for example show customers how, why and by whom their product is used. Marketing communications consists of tools which are utilized to build value for brands. These tools create a marketing communications mix which can be divided into seven different modes. (Kotler 2009, 690)

1. Advertising

Advertising is paid non-personal communication, which can present or promote a market offering. Advertising might be most commonly perceived as TV commercials or newspaper ads but advertisements can range from movie product placement to purchased news stories.

2. Sales promotion

Sales promotion is a variety of incentives used to make target audience purchase or try the market offering. Coupons, sampling and gifts are examples of these incentives but they can be more subtle such as low-interest financing or contests.

3. Events and experiences

Events and experiences are sponsored activities to create brand-related interactions. Sponsoring sport events or arranging street activities are examples.

4. Publicity and public relations

Publicity and PR are programmes utilized to improve company's or its market offering's image or increase awareness. PR can range from speeches at public events and political lobbying to professional point of view for a news report.

5. Direct marketing

Direct marketing is any non-face-to-face personal communication, which aims to present or promote a market offering and sell it. Good example would be catalogues or mailings as these

are conducted through a medium which doesn't involve physical presence but they contact the customer directly without an intermediary party such as a grocery store.

6. Word-of-mouth

Word-of-mouth marketing is oral communication between individuals to improve image of a market offering and make it more desirable. Arguably this is a type of communication which is largely not influenceable by the company itself but positive word-of-mouth can be encouraged with chat rooms and blogs.

7. Personal selling

Personal selling is any face-to-face communication performed to directly increase sales. Personal selling can be for example sales presentations or meetings.

(Kotler 2009, 691-692)

Throughout the 20th century models explaining customer behaviour were created to help companies understand the minds of their customers better. AIDA model was published in 1925 to depict the process of customer shifting from acknowledging the existence of a product to buying it. In the cognitive stage of the process the product receives customer's attention and begins to affect the customer transitioning her to the affective stage. In the affective stage interest towards the product is created and if powerful enough or enforced correctly liking is followed by a desire. When desiring a product customer must perform a purchasing decision which leads to the final stage of the process: behaviour stage. Behaviour stage is the point where customer considers positive and negative arguments regarding the purchase and makes a decision to either purchase the product or leave it.

Communications are important to guide the customer through the stages to create a positive purchasing decision. The attention of the customer must first be caught to make her acknowledge the existence of the product. This can be achieved through any medium such as TV advertisement campaigns which have been the single most effective form of bringing a product to the attention general public for a long time, but have been on the decline since the 1970s (Kotler 2009, 691). The ways that attention is created can vary in how effective they are in arousing the customers' interest. Communications is also important in resolving issues customers may have with the product and helping them go further through the stages by turning interest into desire, by hurrying desire to turn into behaviour as purchasing decision and by affecting the outcome of the purchasing decision. (Kotler 2009, 695)

2.3 Marketing communication planning

When planning communications, no universal template exists, but in order for the communication to be effective certain decisions must be made. Kotler et al. Name eight steps in developing effective communications: identifying target audience, determining objectives, designing communications, selecting channels, establishing budget, deciding marketing communications mix, measuring results and managing integrated marketing communications process. (Kotler 2009, 717)

To ensure effective and precise communications, a plan must be drafted. SOSTAC® is a simple model created by P. R. Smith in 1998 and it is applicable for most plans in business. SOSTAC® is a simple six-step model used for planning or as a tool of assessing if a plan is comprehensive enough. (Smith & Zook 2011, 225-226)

Steps of SOSTAC® are:

1. Situation analysis which reviews the current situation and tries to explain it.
2. Objectives define what the planning party wants to achieve with the plan.
3. Strategy is the major outlining of actions to be taken.
4. Tactics breaks strategy into smaller, more detailed actions.
5. Action is the implementation of the plan.
6. Control consists of receiving feedback, monitoring the results and modifying actions if necessary.

SOSTAC® is a comprehensive structure to build on and it is a simple but effective approach for communication planning. Its usefulness and simplicity have been noted by Philip Kotler as an example. (Smith & Zook 2011, 226)

Situational analysis is considered very important and sometimes half of the actual plan can be analysing the current situation (Smith & Zook 2011, 226). Analysis of the key performance indicators such as sales, profitability and market shares should be included. Performance indicators should be viewed in a scale of few last years to reveal any trends. Analysing competitors' performance and comparing it to the planning party's performance is part of the competition analysis and it can help reveal the strengths and weaknesses of each player. In addition of analysing competitors and the company itself, analysis of the marketplace is vital with the

segmentation and the needs, suitabilities and profitabilities of the segments in focus. (Smith & Zook 2011, 229)

With segments clarified objectives can be set. First step is to identify the target audience and set communication objectives. The target audience can be for example a segment that views the product as harmful for the environment and so the communication objective would be to change their attitude towards the brand. In this example the target audience, would be a very specific segment, who are not currently company's customers, but with communicating to change their brand attitude, they could be. The objectives set should be clear and measurable. (Kotler 2009, 696-697)

Rossiter and Percy identify four separate objectives. Creating category needs should be done when introducing a new offering to the markets which does not belong to an existing category and a need for it must be created. Brand awareness can be created to introduce new consumers from target segments to the market offering. Brand attitude can be communicated to reinforce positive or to diminish negative images consumers, prospects or customers have regarding the brand. Brand purchase intention can be reinforced to push targets towards a purchasing decision and to entice them to try the market offering. (Kotler 2009, 696-697)

After objectives have been set the strategy phase of SOSTAC® may begin with designing the communications. When designing and deciding the major outlines of the communication plan, three questions must be answered: what, how and by whom. What to say is the message strategy and it defines the content of the communication. Message strategy defines how will this message communicate the brand and does it promise rational, sensory, social or ego satisfactory compensation for purchasing it. (Kotler 2009, 697)

How to say it is the creative strategy which defines how the message is expressed. If a right message is used but it is expressed in a horridly poor manner, the objectives are not likely to be met. Approaches of creative strategy can be divided into two categories: informational and transformational appeals. Informational appeal attempts to communicate the benefits of the market offering itself. It is a logical appeal which focuses on quality or economic benefits of the market offering. Transformational appeal is quite the opposite and focuses on qualities around the market offering. These appeals can link negative qualities (such as guilt and shame) around the consumer if they don't purchase the market offering or positive (such as being trendy or sexually desirable) if they do purchase it. Examples of these could be "donate or you are a bad person" as a negative appeal or "these sunglasses will make you cool" as a positive appeal. (Kotler 2009, 697-699)

Message's credibility and effectiveness are also defined by its source. Message source can either be from within the company or outside it and it can be a known or unknown person. If a message is relayed by an attractive or a popular source, it is shown to achieve higher attention and better recall. Targets assess messages and decide on their credibility using three different attributes: expertise, trustworthiness and likeability. Expertise is the observer's view of source's knowledge on the subject and trustworthiness is source's objectivity and honesty. Likeability describes source's qualities which make her/him attractive such as humour and naturalness. (Kotler 2009, 699)

When the message's content and its source are outlined, the channels through which it is communicated and communication mix implemented must be decided. First choice is between personal and impersonal communication. Personal communication is more effective, but impersonal communication allows for larger audiences (Kotler 2009, 706). Then marketing communication mix must be planned. The mix consists of the marketing communication modes presented earlier in the Communication in marketing -section of this thesis. Deciding between these modes depends on the objectives, the message and the industry the company operates in. If the objective is to achieve a large amount of attention with small capital, social media can be considered as a possibility. When the message is very emotional a source which allows for background music and accurate visual presentation is possible to yield higher results. Business-to-business industrial machine importer can achieve more with personal selling in comparison with a movie production company. (Kotler 2009, 711-713)

Finally in the strategy phase of planning, a budget must be drafted. P. R. Smith recognises three different resources (or as he refers to them: the 3Ms) to be allocated to a plan. The 3Ms are men, money and minutes. Men represent the human resources which can be regular personnel in the form of manpower and it can be specialised personnel which have an area of expertise necessary to be utilized for the project. Money is the monetary power allocated to the project and minutes represents time necessary for the completion of the phases. (Smith & Zook 2011, 226)

The money averagely spent on marketing communications varies between industries and companies within the same industry. There are few basic methods of allocating marketing communication resources. The affordable method is simply estimating what the company can afford to invest in marketing, but this can result to difficulty in long-term planning as the proportion of annual budget may vary. The percentage-of-sales method allocates a certain percentage of sales revenue for the purposes of marketing communications, but this too makes long-term planning difficult due to fluctuations in sales. The objective-and-task method is most suitable for SOSTAC® as the objectives and tasks are clearly defined and estimating budgetary needs for them is possible. (Kotler 2009, 707)

After the major decisions are made on the strategy phase of the SOSTAC® method, tactics is the following step. Planning tactics is simply just delving deeper and defining clearly and in more detail the actions planned in the strategy phase. When a comprehensive marketing communication plan is finally drafted it is put into action. When the plan is launched its success and effects should be monitored in the final phase of SOSTAC®, control. Control is monitoring the project through assessing results such as increase in sales or recognition of the brand and by acquiring feedback. If the project is not yielding desired results it can be terminated prematurely to preserve resources or alterations to tactics can be made. (Smith & Zook 2011, 240)

3 Methods

A survey of target population will be conducted to acquire a clear view of Mobilat's position in regards of recognition and valuation among target population. Most significant findings will be noted and discussed at the end of the chapter.

After that marketing communication channels will be evaluated by their ability to reach young consumers. The significant findings from survey and analysis of marketing communication channels will be put together in a conclusive chapter.

3.1 Information gathering via survey

Survey is a research tool used to extract information with questionnaires and analysing it. Questions are chosen to provide comparable and as reliable as possible information on the desired subject. Surveying is based on communication and can be performed via a medium making it therefore a very cost-effective alternative for studying even a large population as opposed to observation. Research based on communication always has some error, but done correctly it can provide accurate information on the traits of the target population. Errors in survey can be caused by various reasons such as biased questions or the participant failing to understand the question or its content. (Cooper & Schindler 2014, 218-219)

Surveys conducted via internet as a quantitative research method has very recently surpassed telephone conducted surveys in popularity. Advantages of internet based surveys are that they have short turnaround of results, it is a cost-effective method as interviews can be overlapping and do not require interviewers while performing and participants feel anonymous. Disadvantages are that internet based surveys' samples become costly if a representative

sample must be built and technological requirements can be problematic for both interviewer and participant. (Cooper & Schindler 2014, 226-227)

Questionnaire is an information collecting tool consisting of closed and open-ended questions. Closed questions offer alternatives of which the participant can choose from. Multiple choice questions, importance scale and dichotomous questions are closed questions. Open-ended questions do not have a predetermined set of answers and can be answered freely. Word association, sentence completion and unstructured questions are open-ended questions. Questionnaire is the most common data collection tool. (Cooper & Schindler 2014, 226-227)

4 Collection and analysis of data

4.1 Conducting a survey

Internet-based questionnaire will be used as the primary tool for information collection for the purposes of this project. Reason for conducting a survey online is that it provides a large quantity of pertinent data directly applicable to marketing communications plan. Internet-based questionnaire is an affordable method that provides data which is easily analysable with computer. This method offers a possibility to directly communicate with consumers regarding their consuming habits.

This survey will focus on mapping out consumer habits of various age-groups regarding their use of topical and non-topical OTC pain medication. Three important terms to be used in this part are: recognition rate as in “do you recognise this brand”, testing rate as in “have you tested this product” and usage rates as in “have you used this product for an appropriate ailment during the past two years”. Percentiles presented for a specific group will always be percentages of the full group instead of percentages of the participants belonging to this group who answered to the question. This is due to technical limitations associated with the tool with which the survey was conducted with. However the full participant pool will only include participants who successfully finished the survey and partial completions will not be taken into account in any way. Main questions to be answered with this survey are:

1. How do Mobilat and Voltaren compare in general. What are their recognition, testing and usage rates in comparison to each other?
2. How does age of the participant affect recognition, testing and usage rates of Mobilat and Voltaren?
3. How does age affect overall consumer habits with focus on OTC pain medication?

Most pertinent findings will be briefly capsulized at the end of this chapter for to purpose of future referral.

4.1.1 Sample size

$$\text{Sample Size} = \frac{\frac{z^2 \times p(1-p)}{e^2}}{1 + \left(\frac{z^2 \times p(1-p)}{e^2 N} \right)}$$

Figure 3: Calculating sample size

Legend: N = Population size, e = Margin of error, z = Desired confidence level

Population studied is set at 3,000,000 as this covers most of this thesis' desired customer group (16-40 year old consumers) and a large portion of Finland's overall consumer base. Confidence level will be settled for 95% and margin of error will be set at 3%. This results in a sample size of 1067 which is achievable and proportional for this questionnaire. In 2013 Laurea had 7745 students (<http://www.fuas.fi/ajankohtaista/Documents/Laurea-esittely,%20Koski.pdf>, accessed 12.10.2015). In order to achieve the desired sample size 13.78% of students must answer the questionnaire. Using only Laurea students doesn't provide enough versatility in distribution of education, but due to lack of resources no other sources can be used.

4.1.2 Methods of analysis

The first main question will be answered solely by comparing results to each other and noting all and any results significant to the purpose of this thesis.

The second and third will be done by filtering the results to divide participants into three groups: participants aged 20 and under, participants aged 41 and over and non-pertinent participants (aged 21-40). The two groups compared will be two polarised samples used to highlight OTC pain medication consumer habits in regards of age.

4.1.3 Acquired results

The survey reached and acquired complete answers from 1781 participants, which is sufficient as previously stated. Of the full participant pool: 9.4% are aged 20 or under, 61.4% are between the ages 21-30, 18.1% are between the ages 31-40 and 11.2% are older than this. This age distribution is practical for the purposes of this thesis as opinions and consumption habits of consumers between the ages 18-40 are in question. Of the full participant pool: 77.8% are women and 22.2% are men. This gender distribution renders this acquired sample non-representative in itself.

Of the full participant pool: 62.6% of participants reported their current education as university of applied sciences and 29.6% reported high school/matriculation examination or vocational school. This variation in answers regarding education in a sample consisting only of students currently studying in university of applied sciences shows that the question was misunderstood by some of the participants and that it was formed in a misleading manner.

Of the full participant pool: 84.5% reported to have had joint- or muscle ache during the last two years and of these participants 30.5% reported to have used OTC medication to treat this ache. Of the OTC pain gel users 87.5% reported to have used Voltaren, 26.3% reported to have used Mobilat and 10.3% reported to have used Felden.

The most recognized sources of information about the medication used were reported as healthcare professional (57.2%), an acquaintance (30.6%) and television (25.6%). The bases for choosing medication to treat leg pain were reported as: knowledge of the product beforehand (50.9%), price (41.4%), having heard good reviews of the product beforehand (31.2%), availability in pharmacy (29.1%) and recommendation of a pharmacist (28.0%).

Brands recognized by more than 90% of participants were: Aspirin, Burana, Ibumax, Panadol, Voltaren and Mobilat. Mobilat reached 91.5% recognition and Voltaren reached 93.9% recognition. Mobilat has been tried out by 51.3% of participants and Voltaren by 59.8%. Other OTC pain gels reached significantly smaller recognition and usage rates in comparison.

4.1.4 Analysis of results

1. Mobilat and Voltaren have almost the same recognition rates and very similar amount of participants have tested them at least once. The greatest variation in results when comparing these two products was the usage rate. 26.67% out of all the participants reported to have used Voltaren while only 8.03% reported to have used Mobilat during the past two years. These acquired results seem to display clearly the rise of Voltaren to market leader position,

but it is worth to be noted that a significant amount of the participants recognize and have tested Mobilat as well. The most important basis for choosing a product according to the survey is knowledge of the product beforehand. This may prove highly advantageous when reaching younger consumers.

2. For the next two main questions results have been filtered to divide participants into three groups: participants aged 20 and under will be referred to as Group A (167 participants), participants aged 41 and over will be referred to as Group B (198 participants) and non-pertinent participants will be referred to as Non-pertinent group if needed to.

74.10% of Group A reported to have had joint or muscle pain during the last two years and 19.89% reported to have used OTC pain medication for this ailment. 87.88% of Group B reported to have had joint or muscle pain during the last two years and 24.66% reported to have used OTC pain medication. A significant finding from these two survey questions is that, while only 10.22% of Group A reported to have used oral pain medication, the result for same question for Group B is 20.27%. The results for not using any pain medication for joint or muscle pain were 24.19% for Group A and 12.50% for Group B. Of the OTC pain medication users in these groups: usage of Voltaren had little variation between groups while usage of Mobilat varied so that Group A had an usage rate of 10.23% and Group B had 15.60%.

Group A had recognition rates of 87.43% toward Voltaren and 74.85% towards Mobilat. Group B had recognition rates of 97.47% towards Voltaren and 95.45% towards Mobilat. Overall recognition rates vary drastically and there is a significant difference in recognition rate difference by brand in Group A which does not exist in Group B. Group A testing rates are 41.92% for Voltaren and 32.34% for Mobilat while Group B testing rates were 70.20% for Voltaren and 64.14% for Mobilat. This pattern in testing rates is similar to the pattern in recognition rates.

3. 22.16% of participants in Group A chose to use OTC pain medication for muscle or joint pains during the past two years. The corresponding rate in Group B is 36.87%.

When asked where the participants had heard of the medication they had used (not specifically OTC pain medication) Group A responded: 22.16% from an associate, 20.96% from a healthcare professional and 14.37% from television. Group B had the corresponding rates of: 40.91% from a healthcare professional, 19.19% from an associate and 12.63% from television. The results seem to indicate that word of mouth is relatively more important to Group A than it is to Group B.

4.1.5 Significant findings

The majority of participants seem to recognise both Mobilat and Voltaren, but among younger participants (aged 20 and under) Mobilat is less recognised. For young participants, as well as participants between ages 21-30, the most important bases for choosing medication for leg pain were knowledge of the product beforehand and price. For young participants good reviews of the product were also important and associates were recognised as the most important source of information in a previous purchasing decision.

4.2 Analysis of marketing channels

Media usage of Finnish consumers is heavily geared towards internet, television and radio. Average daily usage durations in 2014 were: internet with 150 minutes, television with 147 minutes, radio with 92 minutes and print media with 31 minutes. According to Stada television marketing is too expensive for their purposes and marketing via social media is not suitable for a pharmaceutical company as bad word-of-mouth and negative publicity may spread by actions of individual companies. Television and social media alternatives will be reviewed in this chapter due to possible need emerging from change in market environment or some other circumstance. (Sanomalehtien liitto 2015)

4.2.1 Television marketing

Television, even though being a relatively expensive option, has a wide reach among consumers. In 2015 TV-programs viewed through television sets reached 84% of consumers aged 9-24 and 88% of consumers aged 25-44. Television programs viewed through computers, tablets and smartphones are more popular in younger consumers. Television programs viewed via computers reached 39% of consumers aged 9-24 and 34% of consumers aged 25-44. Television programs via tablet-devices and smartphones had reaches of 20% and 19% among ages 9-24 and 16% and 12% among ages 25-44 respectively. (Sandell 2016)

Even though conventional television would prove too expensive for Stada, advertisement campaign conducted via the internet broadcasting services of MTV or Nelonenmedia could be a viable option.

4.2.2 Digital marketing

In 2015 25% of advertisement in Finland was digital marketing with the combined digital marketing budget being 286 million euros. Of this 286 M€ 53.8% was spent on display advertise-

ments (banners, videos etc.) and 34.6% on search engine advertisements. 66% of Finnish consumers use internet on their mobile phone and 75% watch videos and/or television programming via internet. Percentiles of the whole advertising budget of Finland spent in digital marketing have risen quickly from 14% in 2009 to 18% in 2012 and to 25% in 2015. (IAB 2016)

The main concern regarding digital marketing, particularly social media, was stated as the threat of negative word-of-mouth by STADA. This threat is not present in all social media marketing. For example popular video streaming platform YouTube has strong social media attributes, but it doesn't allow to specifically commenting on advertising content. YouTube also allows companies to choose their target audience very carefully with age, gender and interests being criteria. (Google 2016)

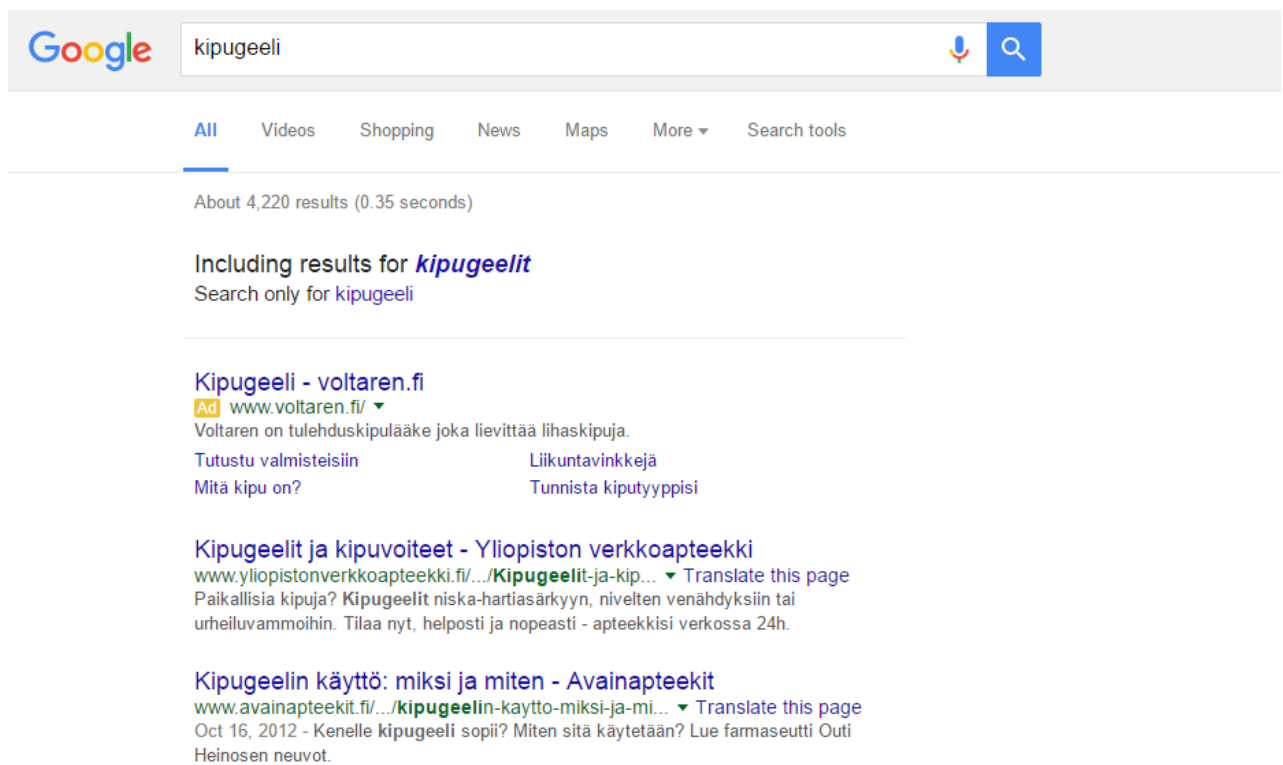


Figure 4: A screen capture taken in 29.4.2016

Search engine optimisation also does not possess the threat of rapid spread of negative word-of-mouth via comments in itself. Search engine optimisation is advertising by ensuring that a page receives a high amount of visibility with specific search words. As in the screen capture, using the search word “pain gel” yielded Voltaren as the best matching result for the search due to Novartis using search engine optimisation. (Statista 2016)

4.2.3 Print press advertising

According to a survey conducted by Newspapers' Union (of Finland) and TNS Gallup Ltd positive traits most commonly associated with newspapers are respectability, professionalism, credibility and trustworthiness. Currently print papers distribute their content including advertisement via both printed version and electronic version. The electronic printed content distributed via their internet pages was read more than the printed content in all age brackets excluding consumers over the age 55.

In 2015 printed media content of newspapers reached 70% and electronic content reached 82% of consumers between the ages 18-24. In this age bracket the combined presence of printed and electronic content was 92%. In age bracket 25-34 the numbers were 68% for printed reach, 79% for electronic content and 92% for combined presence. (Sanomalehti liitto 2015)

Largest newspapers in Finland by amounts printed are Helsingin Sanomat with printed 285 223 copies, Ilta-Sanomat with 110 226 copies, Aamulehti with 106 842 copies, Turun Sanomat with 88 992 copies and Maaseudun Tulevaisuus with 78 899 copies. (KMT 2016)

4.2.4 Radio advertising

Radio reaches 94.6% of Finnish consumers up from the age of nine, with commercial radio reaching 75.3% of consumers. Commercial radio channels are more popular than YLE among consumers younger than 55 years and this is beneficial for Stada's purposes. Over 85% of consumers between the ages 15-44 are reached by commercial radio. Most popular commercial radio channels (with percentages of listeners reached) are Radio Nova (24.7%), Radio Suomipop (23,5%) and Iskelmä (16,4%). (Attachment 4)

Each age bracket of consumers seems to favour different channels. Among listeners of age 15-24 the most popular channel is NRJ with a reach of 31,9% and for ages 25-44 it is Radio Suomipop with 34,0-37,7%. Other notable channels for advertising to younger consumers are Radio Rock with listenership of 21,5-27,8 among consumers between age 15-44, The Voice which reaches 22,1% of ages 15-24 and 15,0-16,2% of ages 25-44 and Loop which reaches 24,3% of ages 15-24, but only 8,1-9,9 of ages 25-44. (Attachment 4)

5 Conclusions

The survey re-affirmed the fact that Mobilat is less recognised than Voltaren among younger consumers, but it is still widely recognized. Voltaren was tested by far greater number of participants than Mobilat. Being so far behind market leader in sales is not reflected to recognition rates in same extent yet.

Young consumers value knowledge and good reviews especially when provided by an associate they know personally. Young consumers also spend more time in internet and enjoy greater amount of their entertainment online. When reaching younger consumers best channels are mostly digital, as young people spend more time online and as digital marketing allows precise advertising targeted at a certain demographic.

Television programming broadcasted in internet and other digital marketing can be effective advertising channels when reaching younger consumers. Of radio channels: NRJ, Radio Rock, The Voice and Loop have the best reach among younger consumers.

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Figure list

Figure 1: Original communications flowchart.....	8
Fiske 2002, 7	
Figure 2: Newer communications flowchart	9
Kotler 2009, 694	
Figure 3: Calculating sample size	17
Figure 4: A screen capture taken in 29.4.2016	21

Attachments

Attachment 1: Mobilat myynnit tuotteittain kuukausittain 2014-2015.xlsx; provided by T. Sysmäläinen from Stada; 14.4.2015

Attachment 2: Mobilat myyntejä 2009-2015.xlsx; provided by T. Sysmäläinen from Stada; 14.4.2015

Attachment 3: Mobilat_kilpailijat_hinnat.xlsx; provided by T. Sysmäläinen from Stada; 14.4.2015

Attachment 4: Radion tavoittavuuksia; Radiomedia ry. 2015